

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

<b>In Re:</b>  <b>W.R. GRACE &amp; CO., et al.,</b>  <b>Debtors.</b>	<b>§ § § § § §</b>	<b>Chapter 11</b>  <b>Jointly Administered</b> <b>Case No. 01-01139 (JKF)</b>
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**FEE AUDITOR'S FINAL REPORT REGARDING  
FIRST MONTHLY APPLICATION OF  
CAPLIN & DRYSDALE, CHARTERED ON BEHALF  
OF PROFESSOR ELIZABETH WARREN**

This is the final report of Warren H. Smith & Associates, P.C. ("Smith"), acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the First Monthly Fee Application of Caplin & Drysdale, Chartered on Behalf of Professor Elizabeth Warren (the "Application").

**BACKGROUND**

1. Professor Elizabeth Warren ("Warren"), was retained as Special Bankruptcy Consultant to Caplin & Drysdale, Chartered, counsel to the Official Committee of Asbestos Personal Injury Claimants. In the Application, Warren seeks approval of fees totaling \$1,350.00 and no costs for her services from January 17, 2002, through January 31, 2002 (the "Application Period").

2. While the Application is a monthly application, rather than a quarterly application, Caplin & Drysdale stated that we should review it. We note that the application to employ Warren, dated October 23, 2001, stated, in paragraph 12, that: "[t]o facilitate the administrative process and to minimize Professor Warren's administrative time, in light of her limited role, Caplin & Drysdale

will incorporate her time entries in its billing statement and will bill for Professor Warren's services as part of Caplin & Drysdale's monthly and quarterly fee applications." When we inquired of Caplin & Drysdale why Professor Warren's services were not included as a part of Caplin & Drysdale's fee application, we were told by Rita C. Tobin of Caplin & Drysdale that "[h]er time has been filed separately, since the joint application proved to be confusing." We never saw any joint application with Warren's time, so we cannot opine how confusing it was, but we do find it more time-consuming and burdensome to review Warren's time separately, and we question whether Caplin & Drysdale acted appropriately in unilaterally disregarding the representation to the court that Warren's time entries would be incorporated in its billing statements. Nevertheless, so as not to penalize Warren, we have reviewed the Application.

3. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time entries included in the exhibits to the Application. We reviewed the Application for compliance with 11 U.S.C. 330, the Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2001, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. 330, Issued January 30, 1996, (the "Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals.

### **DISCUSSION**

4. We note that Warren's time entries consist of 2.5 hours, on three separate days, under the project category of Asbestos: Claims Analysis & Valuations, and we have no objection to these fees.

### **CONCLUSION**

5. Thus we recommend approval of fees totaling \$1,350.00 and no costs for Warren's services from January 17, 2002, through January 31, 2002.

Respectfully submitted,

**WARREN H. SMITH & ASSOCIATES, P.C.**

By: 

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**FEE AUDITOR**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document has been served First Class United States mail to the attached service list on this 7th day of August, 2002.



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Warren H. Smith

**SERVICE LIST**

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